

Agency for Health Care Administration

Florida Center for Health Information and Policy Analysis

Document Abstract

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Title: Florida Health Care Expenditures, 2004-2005

Summary: In 2005, personal health care expenditures in Florida reached \$104.6 billion, up from \$98.8 billion in 2004 (an increase of 5.9%), and \$92.1 billion in 2003. Among health services, the growth in spending from 2004 to 2005 was greatest for Other Professional Clinics (13.8%), Home Health (8.8%) and Specialized Government Services (8.7%).

From 2004 to 2005, total Medicare expenditures increased 7.6%, while Medicaid expenditures increased by only 3.1%, as Medicaid enrollment increased 2.8% during this period. Total HMO expenditures were \$12.3 billion in 2005. HMO expenditures increased by 5.5% from 2004 to 2005, while enrollment decreased by 6.0%.

Florida expenditures were \$5,858 per capita in 2005, representing 17.6% of personal income. U.S. expenditures were \$5,603 per capita, or 16.2% of personal income.

Future Policy Implications: Florida health care spending is affected by the higher number of elderly residents and Medicare beneficiaries in Florida compared to other states. The growth of physician, hospital and medicinal drug expenditures will impact benefits provided by public and private health plans, as well as consumer spending for personal health care. The impact of Medicaid Reform efforts will be measured, in part, by any change in Medicaid expenditures seen since 2005.

Relevant Florida Statutes: Section 408.063(5), Florida Statutes, requires an annual comprehensive report of state health care expenditures.

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Acknowledgments

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Executive Summary

In 2005, personal health care expenditures in Florida reached \$104.6 billion, up from \$98.8 billion in 2004 and \$92.1 billion in 2003. That represents an increase of 5.9% in health care costs from 2004 to 2005, following an increase of 7.3% from 2003 to 2004. The 5.9% increase in expenditures marks the second consecutive year that the increase has slowed down. The largest annual increase observed since 1992 was 8.8% in 2000-01. The 5.9% increase is still higher than general health care inflation as measured by a national index of health care inflation, the Consumer Price Index-Medical Care component (4.2%).

Among health services, expenditures for Other Professional Clinics (13.8%), Home Health (8.8%) and Specialized Government Services (8.7%) had the highest percentage increases. Medicare, with a 7.6% increase, had the greatest growth in expenditures among payers, followed by Private Commercial Insurance (6.3% increase).

For the fourth consecutive year, the rate of growth of Medicaid expenditures decreased from the previous year. The spending rate increased by 3.1% from 2004 to 2005, down from the previous year's growth rate of 10.0%. The 3.1% increase was the first single-digit increase since 1998-99. Since 1992, Medicaid expenditures have increased in each year, often in conjunction with large increases in enrollee caseload. However, from 2004 to 2005, the caseload grew by only 2.8%, down considerably from the double-digit increases in caseload observed from 1999 to 2001. Since the growth of expenditures slightly exceeded the growth in enrollment from 2004 to 2005, spending per enrollee increased by 0.2%, down from 7.9% (2003-04) and 9.2% (2002-03).

Growth in Medicare expenditures increased by 7.6% in 2005 compared with 2004, down from an increase of 11.4% from 2003 to 2004. The number of Medicare beneficiaries has grown by a small percentage annually, e.g., 0.9% from 2004 to 2005. Therefore, from 2004-2005 spending per beneficiary increased by 6.6%, down from a 9.2% increase from 2003 to 2004.

HMO expenditures totaled \$12.3 billion in 2005, up 5.5% from \$11.7 billion in 2004, which was up 3.5% from 2003. HMO expenditures include Medicare, Medicaid, and private HMO expenditures. The annual rate of growth of HMO expenditures has increased in each year since 2002, but the change from 2004 to 2005 (5.5%) was still considerably below the typical annual growth of at least 20% seen throughout the 1990s.

Excluding expenditures for health care services delivered to nonresidents, personal health care spending for Florida residents was \$104.1 billion, or \$5,858 per capita in 2005. Health care spending was 17.6% of the total personal income of Florida residents. U.S. personal health care expenditures were \$5,603 per capita, accounting for 16.2% of personal income.

Florida health care spending is affected by the higher proportion of elderly residents and Medicare beneficiaries in Florida compared to other states. In 2005, the percentage of Florida residents aged 65 years and older was 17.0%, compared to 12.4% for the United States.

Personal health care expenditures equal total revenues received by health care providers. Health care providers include all practitioners and facilities that offer health care services and medical supplies to individual patients. Public health education and regulation expenditures and health insurance administrative costs are not included in personal health care expenditures.

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Introduction

Personal health care expenditures equal total revenues received by health care providers as compensation for their services from consumers, insurers, and government agencies. This report provides information about trends in health care expenditures for: (1) health care services, (2) health care payers, and (3) health maintenance organizations (HMOs). Personal health care expenditures include all services provided on an individual basis. Expenditures for public health education and regulation and the administrative costs of insurers are excluded.

The health care expenditures in this report describe payments for services delivered in Florida, including services delivered to nonresidents. Expenditures per capita and expenditures as a percent of personal income were adjusted to reflect resident spending. On a statewide basis, the difference between provider-receipts and resident-based expenditures was less than 1%.

Health care services are categorized according to the definitions of the North American Industry Classification System (NAICS)¹ (**Appendix 1**) and other categories described in **Appendix 2**. The 2002 Economic Census conducted by the U.S. Census also used the NAICS.^{2,3,4} All previous editions of this report classified services according to the categories of the *U.S. Standard Industrial Classification Manual* (SIC).⁵

To maintain consistency in the categories over the years, expenditures grouped under the NAICS were mapped to the old SIC categories using the document *1987 SIC Matched to 2002 NAICS, Service Industries*.⁶ The results of this mapping can be seen in **Appendix 1**. There is not, however, a perfect one-to-one correspondence between some NAICS and SIC categories. For example, to construct a new Nursing Home group one must aggregate several NAICS categories, some of which contain expenditures that are not strictly nursing home, e.g., continuing care retirement communities. The result is a less than perfect bridge from the old SIC categories to the new NAICS ones. The two service categories potentially affected the most by this mismatch are nursing homes and hospitals.

Health care payers are categorized according to definitions used by the U.S. Centers for Medicare & Medicaid Services (CMS) described in **Appendix 3**. Health care payers include all governmental programs and subsidies, insurance plans, out-of-pocket payments, and other private sources such as investments, donors or various enterprises.

Health care expenditures for health services were estimated using reports from government agencies, mainly data on employee wages that constitute approximately 40% of total personal health care expenditures.⁷ Florida wage data were obtained for all health services except medicinal drugs, durable medical equipment, and specialized government and other services. Expenditures for specialized government and other services were estimated using national data. National and state data from the 2002 Economic Census were used to estimate medicinal drugs and durable medical equipment. Data sources and methods for health service expenditures are described in **Appendix 2**.

National health care expenditure figures obtained from CMS are a major data source for this report. When CMS releases the latest data in the annual report, *National Health Expenditures*, the data from many previous years are revised.⁸ Therefore, figures for Florida expenditures in the years 1992-2005 shown in this report will be different from figures for the same years as displayed in previous editions of this report.

Payer expenditures were estimated using national data and the total of Florida health care expenditures. Florida data were obtained for Medicaid and Medicare expenditures. Data sources and methods for payer expenditures are described in **Appendix 4**, which also details the method used to estimate resident-based expenditures.⁹ Finally, HMO expenditures and revenue were obtained from reports prepared by the Florida Department of Financial Services.

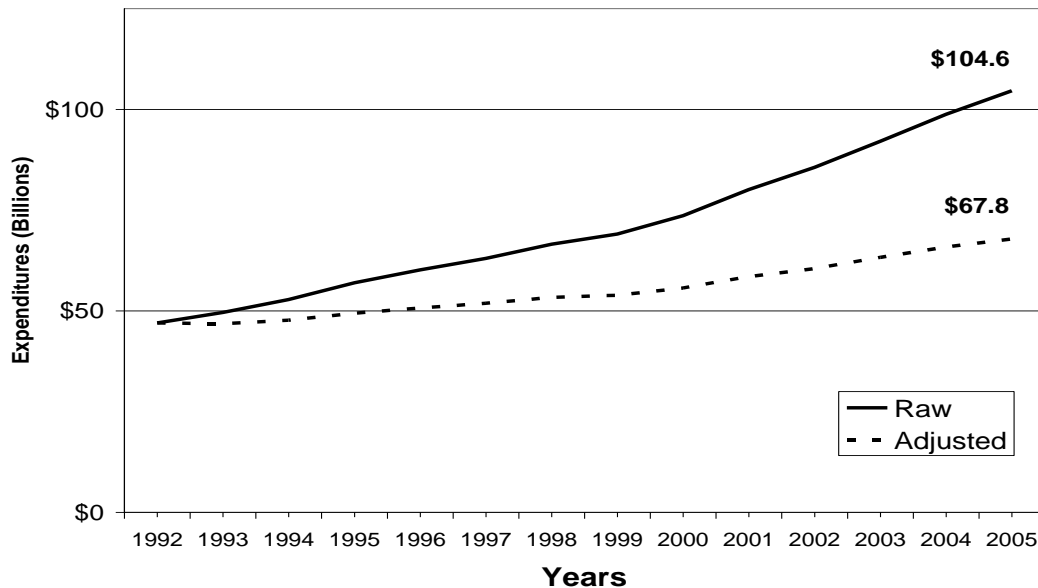
Health Care Expenditures by Service

In 2005, personal health care expenditures in Florida reached \$104.6 billion, a 5.9% increase over the \$98.8 billion spent in 2004, following an increase of 7.3% from 2003 to 2004. That is the second consecutive decrease in the annual percentage growth rate in expenditures. The annual percentage increase peaked from 2000 to 2001, with a rate of 8.8%.

Figure 1 shows the annual growth in Florida expenditures from 1992 to 2005. The chart displays this growth in two ways, in terms of the actual dollar amounts ("Raw") and inflation-adjusted numbers ("Adjusted"). The adjustment utilized a national health care inflation index, the Consumer Price Index-Medical Care component as provided by the U.S. Bureau of Labor Statistics. See **Appendix 5** for a listing of this inflation index and its annual percentage change.

Figure 1 shows that, starting with expenditures in 1992 (\$47.0 billion) as the anchor, spending increased by 122.5% to \$104.6 billion in 2005. By inflation adjusting these figures, keeping expenditures in 1992 dollars, the increase was 44.3%, up to \$67.8 billion in 2005.

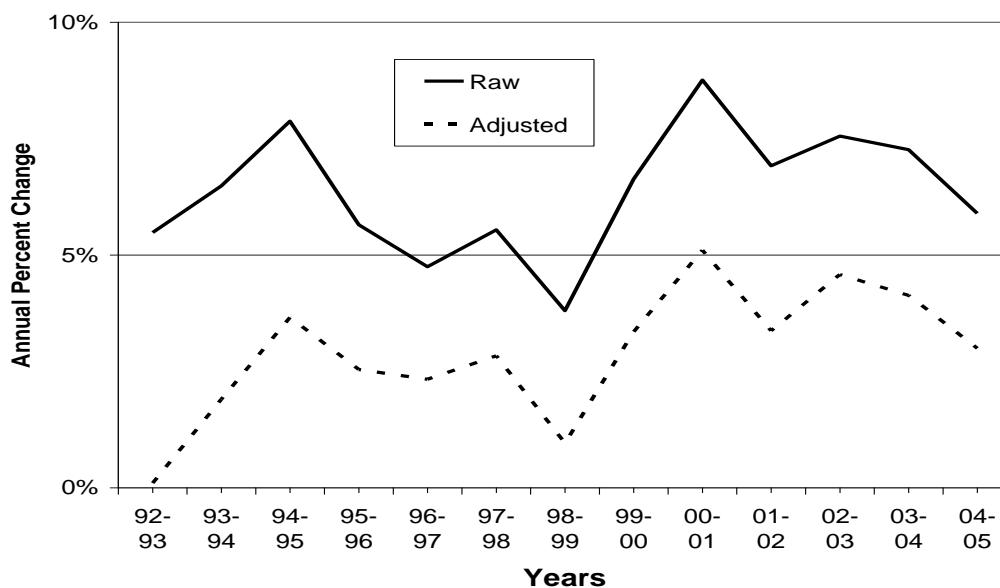
Figure 1
Annual Change in Expenditures, 1992-2005
Raw and Inflation-Adjusted Expenditures



Note: Adjustment uses Consumer Price Index-Medical Care
Source: AHCA; U.S. Bureau of Labor Statistics

Figure 2 shows the annual percentage change in expenditures from 1992 to 2005 for both raw and inflation-adjusted numbers. The figure shows that the annual percentage change in expenditures in Florida was consistently between 2% and 5%, even after national health care inflation is removed from the raw numbers. For example, between 2004-2005, Florida health care spending increased by 5.9%, which represented a 3.0% increase after adjusting for national inflation.

Figure 2
Annual Percentage Change in Expenditures, 1992-2005
Raw and Inflation-Adjusted Expenditures



Source: AHCA; U.S. Bureau of Labor Statistics; CMS

Figure 3 displays the proportion of total health care expenditures among health services in 2005. The service categories with the highest expenditures were Hospitals (33.4% of total expenditures), Physicians (24.2%) and Medicinal Drugs (14.9%). Together these three components accounted for 72.4% of total personal health care expenditures in 2005.

Figure 3
Expenditures by Health Service
Percent of Total Expenditures, 2005

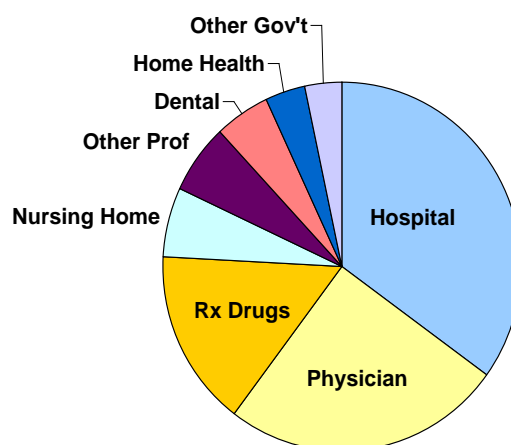


Table 1 displays the percentage change in health care services expenditures from 2004 to 2005. The difference in overall spending (\$5.8 billion) represents a 5.9% increase. Only one health care service had a greater than a 10% increase between 2004 and 2005, that is, Other Professional Services (13.8%). For the top three cost drivers, the spending increases were more modest: Physicians (6.8%), Medicinal Drugs (5.6%) and Hospitals (4.5%).

Table 1
Expenditures by Health Service, 2004-2005

Health Services	Expenditures		Difference	Percent Change
	2004	2005	2004-2005	2004-2005
Hospitals	\$33,414	\$34,910	\$1,496	4.5%
Physicians	23,672	25,287	1,615	6.8%
Dentists	4,558	4,836	278	6.1%
Medical Laboratories	2,799	2,901	102	3.7%
Other Professionals	5,284	6,013	729	13.8%
Home Health	3,357	3,654	297	8.8%
Medicinal Drugs	14,728	15,549	821	5.6%
Durable Medical Equipment	1,682	1,743	62	3.7%
Nursing Homes	6,135	6,285	150	2.4%
Specialized Government Services	3,151	3,425	274	8.7%
Total Personal Health Care	98,781	104,604	5,824	5.9%

Note: Expenditures in \$ millions.

Source: AHCA

Figure 4 highlights the annual percentage change in expenditures since 1992 for medicinal drugs, hospital and physician services. Between 1998-1999, the growth rate for drugs peaked at 15.1%, and has declined in every year since then. In 2004-2005, that rate fell to 5.6% or just below the growth in total expenditures.

Between 1996 and 2003, annual spending increases for medicinal drugs was three to twelve percentage points higher than the rates for hospital and physician services. Since 2003, the growth rates have converged, due in part to large rate increases for the hospital and physician services. Over the past two years, spending increases for physicians exceeded the increases for medicinal drugs.

Additional details on expenditures for health care services, for each year from 1992 to 2005, are reported in **Appendix 6**.

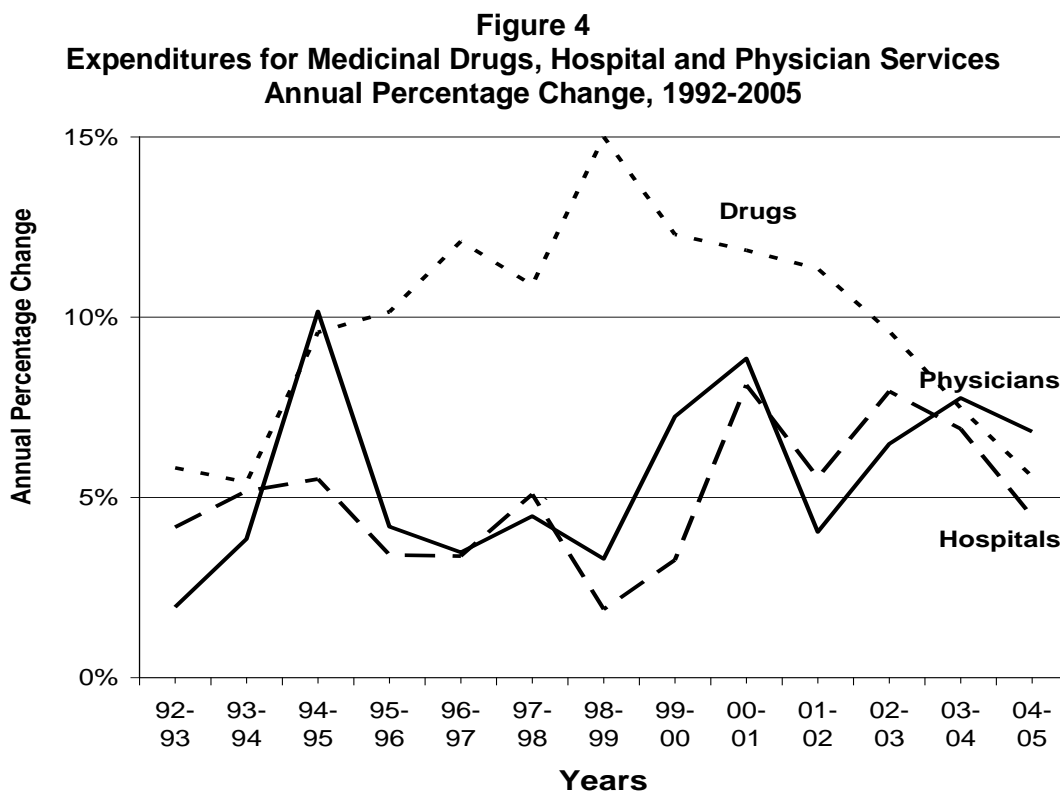


Table 2 and **Figure 5** display the percentage of total health care expenditures among health services in 1992, 2004 and 2005. Over the fourteen-year period, the proportion of total expenditures declined in the two largest categories, hospitals (a 6.1 percentage point decrease in share) and physicians (a 2.4 percentage point decrease), while medicinal drugs had the largest proportional increase (5.0 percentage points). The proportion of spending in 2005 is down slightly from 2004 for Hospitals (a 0.4 percentage point decrease), up slightly for Physicians (0.2 points), and flat for Medicinal Drugs (14.9% in both years).

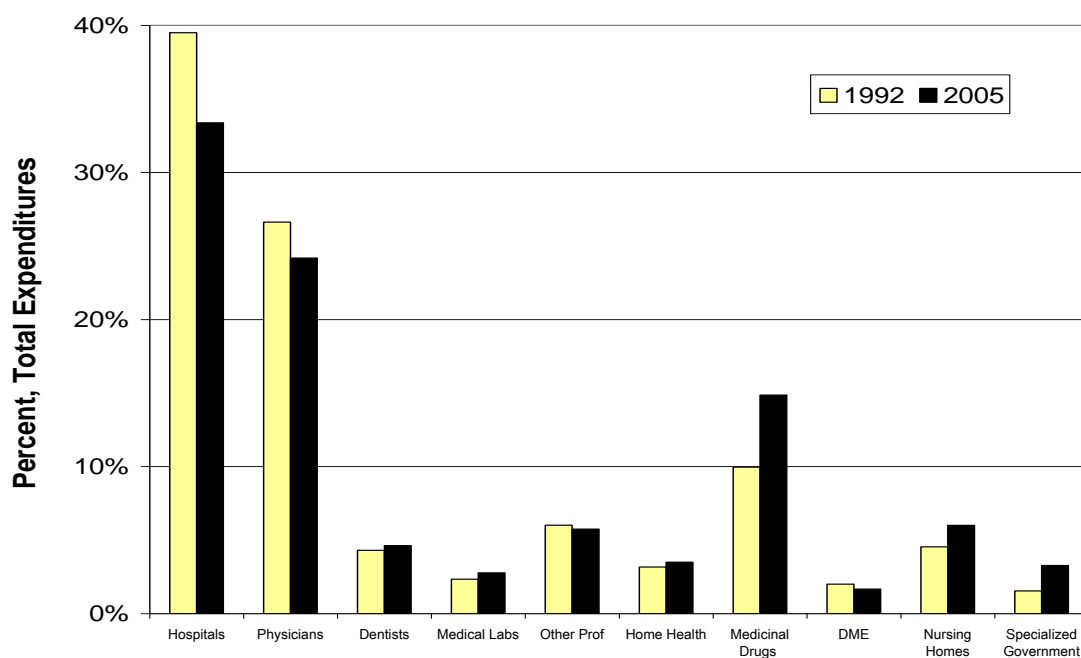
Table 2
Expenditures by Health Service
Percent of Total Expenditures, 1992, 2004 and 2005

Health Services	1992		2004		2005	
	Amount	Percent	Amount	Percent	Amount	Percent
Hospitals	\$18,573	39.5%	\$33,414	33.8%	\$34,910	33.4%
Physicians	12,516	26.6%	23,672	24.0%	25,287	24.2%
Dentists	2,025	4.3%	4,558	4.6%	4,836	4.6%
Medical Laboratories	1,100	2.3%	2,799	2.8%	2,901	2.8%
Other Professionals	2,830	6.0%	5,284	5.3%	6,013	5.7%
Home Health	1,489	3.2%	3,357	3.4%	3,654	3.5%
Medicinal Drugs	4,641	9.9%	14,728	14.9%	15,549	14.9%
Durable Medical Equipment	972	2.1%	1,682	1.7%	1,743	1.7%
Nursing Homes	2,138	4.5%	6,135	6.2%	6,285	6.0%
Specialized Government	723	1.5%	3,151	3.2%	3,425	3.3%
Total Personal Health Care	47,008	100.0%	98,781	100.0%	104,604	100.0%

Note: Expenditures in \$ millions; Numbers and percents may not add to totals due to rounding.

Source: AHCA

Figure 5
Expenditures by Health Service
Percent of Total Expenditures, 1992 and 2005

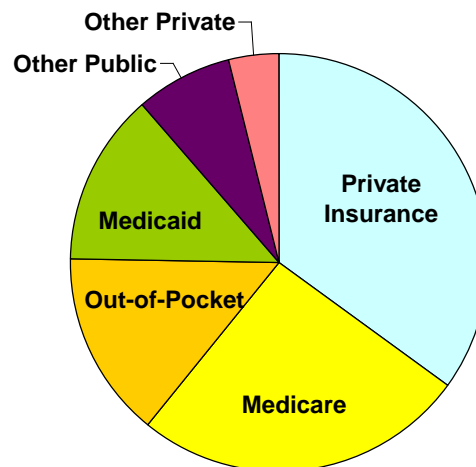


Source: AHCA

Health Care Expenditures by Payer

Figure 6 shows the proportion of total expenditures in 2005 by payer category. The payer categories with the highest expenditures were Private Insurance (35.1% of total expenditures), Medicare (25.7%) and Medicaid (13.3%).

Figure 6
Expenditures by Payer
Percent of Total Expenditures, 2005



Appendix 7 displays the percentage change in expenditures by payer from 1992 to 2005. Between 2004 and 2005, the growth of spending was greatest for Medicare (7.6%), and Private Insurance (6.3%). The growth of spending for Medicaid (3.1%), was the smallest annual increase since 1995-96. The annual growth rate over the previous five years was between 10% - 15%.

Appendix 7 also shows that out-of-Pocket expenses increased by 5.2%, the largest annual increase since 1997-98. Out-of-pocket spending may have stayed low due to the growth of HMOs, since HMOs usually offer lower out-of-pocket costs than traditional insurance. However, with a recent reduction in the proportion of health insurance plans that are HMOs, the proportion of out-of-pocket spending may be on the increase, as **Appendix 7** suggests.

Table 3 displays the percentage of total personal health care expenditures among health payers in 1992, 2004 and 2005. Over the two most recent report years (2004-2005), two payers showed a moderate change in their proportion of expenditures: Medicare, a 0.4 percentage point increase and Medicaid, a 0.3 point decrease. The share for all other payers was essentially unchanged over this period.

Comparing the proportion of expenditures in 2005 against that in 1992, reveals that three payers showed increases, led by Medicaid (3.9 percentage points), followed by Medicare (3.5 points) and private insurance (1.1 points). The proportion of total expenditures decreased for out-of-pocket (down 5.3 points) and other public funds (2.1 points).

Table 3
Expenditures by Payer
Percent of Total Expenditures, 1992, 2004 and 2005

Health Care Payer	1992		2004		2005	
	Amount	Percent	Amount	Percent	Amount	Percent
Medicaid	\$4,419	9.4%	\$13,470	13.6%	\$13,886	13.3%
Medicare	10,427	22.2%	24,979	25.3%	26,874	25.7%
Other Public Funds	4,426	9.4%	7,258	7.3%	7,641	7.3%
Private Insurance	15,983	34.0%	34,487	34.9%	36,671	35.1%
Out-of-Pocket	9,406	20.0%	14,569	14.7%	15,331	14.7%
Other Private Sources	2,347	5.0%	4,018	4.1%	4,202	4.0%
Total Personal Health Care	47,008	100.0%	98,781	100.0%	104,604	100.0%

Note: Expenditures in \$ millions; Numbers and percents may not add to totals due to rounding.

Source: AHCA; CMS

Table 4 shows figures for the Medicaid caseload (number of eligible enrollees), total expenditures and expenditures per enrollee for 2000-2005. Between 2004 and 2005, expenditures increased by 3.1%, the smallest annual increase since 1995-96. The caseload increased by 2.8%, yielding a per-enrollee increase of 0.2%. That annual rate increase was the smallest observed since 1996-97, and continues a trend of a decreasing annual percentage change since 2003.

Table 4
Florida Medicaid Health Plans
Annual Percentage Change in Average Monthly Caseload
Total Expenditures and Expenditures per Eligible, 2000-2005

	2000	2001	2002	2003	2004	2005
Caseload (Eligibles)	1,710,471	1,876,909	2,005,354	2,076,560	2,118,145	2,178,100
Percent Change	11.1%	9.7%	6.8%	3.6%	2.0%	2.8%
Expenditures (\$millions)	\$8,332	\$9,560	\$10,828	\$12,243	\$13,470	\$13,886
Percent Change	13.3%	14.7%	13.3%	13.1%	10.0%	3.1%
Expenditures/Eligible	\$4,871	\$5,094	\$5,400	\$5,896	\$6,359	\$6,375
Percent Change	2.0%	4.6%	6.0%	9.2%	7.9%	0.2%

Source: AHCA and Florida Office of Economic and Demographic Research (EDR)

Figure 7 portrays these trends in Medicaid expenditures and expenditures per beneficiary for the years 1997 – 2005.

Figure 7
Annual Percentage Change in Expenditures and
Expenditures per Beneficiary, Medicaid, 1997-2005

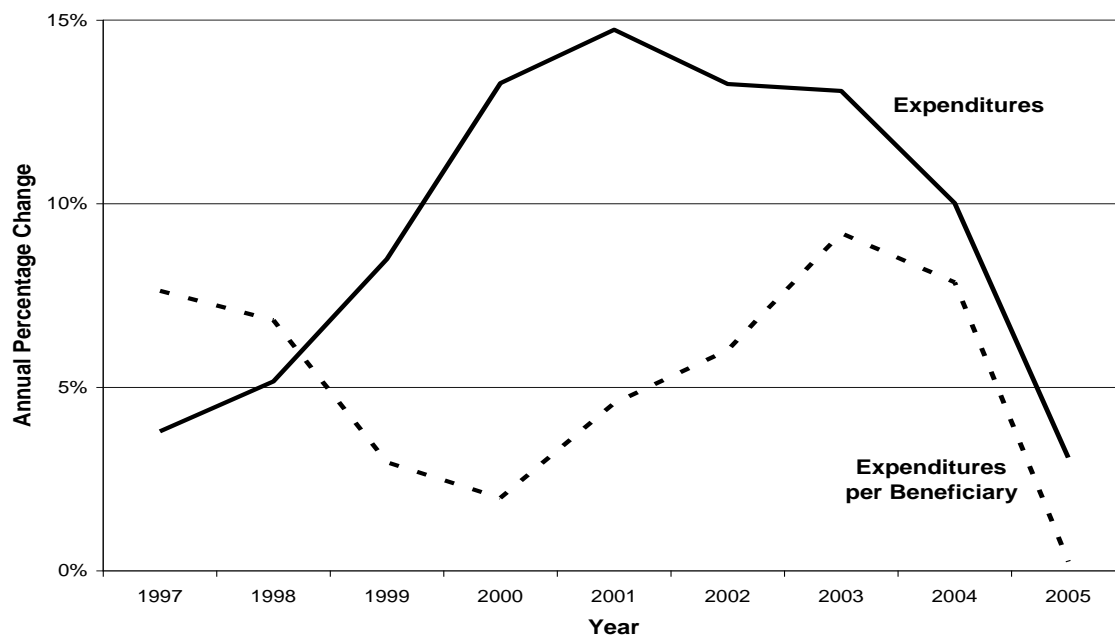


Table 5 shows figures for the Medicare beneficiary enrollment, total expenditures and expenditures per beneficiary for 2000-2005. From 1998 to 2003, annual expenditures for Medicare increased by a smaller amount compared to Medicaid. However, between 2003 and 2004 that situation reversed, where the increase in Medicare expenditures was 1.4 percentage points greater than the increase for Medicaid. Between 2004 and 2005, that spread increased to 4.5 points (Medicare 7.6%, Medicaid 3.1%). In contrast with Medicaid, the number of Medicare beneficiaries has grown by a steady, small percentage annually. The result is a larger increase in spending per beneficiary for Medicare (6.6%) compared with Medicaid (0.2%) over the period 2004-2005.

Table 5
Florida Medicare Health Plans
Annual Percentage Change in Average Monthly Enrollment
Total Expenditures and Expenditures per Beneficiary, 2000-2005

	2000	2001	2002	2003	2004	2005
Beneficiaries	2,803,961	2,838,345	2,876,168	2,920,971	2,980,279	3,008,193
Percent Change	1.2%	1.2%	1.3%	1.6%	2.0%	0.9%
Expenditures (\$millions)	\$17,452	\$19,254	\$20,770	\$22,415	\$24,979	\$26,874
Percent Change	5.7%	10.3%	7.9%	7.9%	11.4%	7.6%
Expenditures/Beneficiary	\$6,224	\$6,784	\$7,222	\$7,674	\$8,381	\$8,934
Percent Change	4.4%	9.0%	6.5%	6.3%	9.2%	6.6%

Source: Centers for Medicare & Medicaid Services

Comparison of Florida and the United States

Table 6 shows health care expenditures per capita and as a percent of personal income for Florida residents and the nation in 1992, 2004 and 2005.¹⁰ In 2005, health care expenditures were 17.6% of personal income in Florida, a decrease from 18.0% in 2004. Beginning in 2001, this proportion had increased in each year, thus the 0.4 percentage point decrease (2004-05) was the first annual decrease observed since 1999-2000.

Personal health care expenditures for the nation were 16.2% of personal income in 2005, up from 16.0% in 2004 and 13.6% in 1992. Health care spending of Florida residents reached \$5,858 per capita in 2005, while U.S. spending per capita was \$5,603. Excluding expenditures for nonresidents, personal health care spending was \$104.1 billion in Florida in 2005. (To estimate resident expenditures, Florida personal health care expenditures were reduced by the Medicare net flow border crossing ratio of 0.9805 for Florida (1991)⁹, weighted by the proportion of Medicare expenditures to total health care expenditures in Florida.)

Table 6
Per Capita Health Care Expenditures and
Percent of Personal Income
Florida and the United States, 1992, 2004 and 2005

	Florida			United States		
	1992	2004	2005	1992	2004	2005
Total Expenditures *	\$47,008	\$98,781	\$104,604	\$728,933	\$1,551,255	\$1,661,372
Population *	13.7	17.4	17.8	256.5	293.6	296.5
Expenditures Per Capita	\$3,429	\$5,660	\$5,858	\$2,830	\$5,283	\$5,603
Total Personal Income *	\$278,700.3	\$547,107.0	\$590,953.0	\$5,349,384.0	\$9,705,504.0	\$10,251,639.0
Percent of Personal Income	16.8%	18.0%	17.6%	13.6%	16.0%	16.2%

* Figures in millions.

Source: AHCA, CMS and U.S. Bureau of Census

Florida health care spending is affected by the higher number of elderly residents and Medicare beneficiaries in Florida compared to other states. In 2005, the percentage of Florida residents ages 65 years and older was 17.0%, compared to 12.4% for the U.S. In the U.S. between 1991 and 1998, total health care spending of persons 65 years and over was about six times that of persons under age eighteen.¹¹ In 1997 median total drug expenditures by the elderly was 5.6 times greater than that of the non-elderly.¹² An implication of these findings is that states with a higher proportion of older residents will have higher health care expenditures.

Table 7 (next page) details facility charges by age group for inpatient hospitalizations and ambulatory surgery visits from data reported to AHCA by hospitals and ambulatory surgery centers in Florida for 2005. The table shows that the percentage of charges for the older age group exceeds their proportion of the population. This is especially true for inpatient hospitalization, where 17.0% of the population accounted for 48.3% of charges. Inpatient hospitalization spending per person among the older age group (ages 65 and over) was 4.5 times that of the younger group (ages 0 through 64). The age group differences were less pronounced with ambulatory surgery, where the older age group accounted for 35.6% of charges. For these services, spending for the elderly group was nearly three times that for the younger group.

Table 7
Per Capita Facility Charges
by Age Group and Facility Type
Florida, 2005

Age Group (Years)	Charges (Sum)	Percent Charges	Population	Percent Population	Charges / Population
Inpatient Hospital					
0 - 64	\$36,507,778,850	51.7%	14,953,461	83.0%	\$2,441
65 +	\$34,093,400,714	48.3%	3,072,649	17.0%	\$11,096
Ambulatory Surgery					
0 - 64	\$9,097,291,262	64.4%	14,953,461	83.0%	\$608
65 +	\$5,029,727,785	35.6%	3,072,649	17.0%	\$1,637

Source: AHCA and Florida Office of Economic and Demographic Research

Table 8 displays expenditures for health services in the U.S. and Florida in 2005, and shows that Florida had a lower percentage of expenditures for hospital services than the nation. Further, although Florida has a higher proportion of elderly residents, nursing home expenditures were a lower percentage of total expenditures in Florida (6.0%), than in the U.S. (7.3%). For services with more than \$10 billion in expenditures in Florida, the percentage in Florida exceeded that in the U.S. for physicians by 1.5 percentage points and medicinal drugs by 0.8 percentage points. The percentage in Florida was also greater for other professionals (a difference of 2.3 percentage points), home health (0.6 points difference) and durable medical equipment (0.2 points difference).

Table 8
Expenditures by Health Service
Percent of Total Expenditures
Florida and the United States, 2005

Health Services	Florida		United States	
	Expenditures	Percent	Expenditures	Percent
Hospitals	\$34,910	33.4%	\$611,566	36.8%
Physicians *	28,188	26.9%	421,170	25.4%
Dentists	4,836	4.6%	86,635	5.2%
Other Professionals	6,013	5.7%	56,742	3.4%
Home Health	3,654	3.5%	47,451	2.9%
Medicinal Drugs	15,549	14.9%	234,813	14.1%
Durable Medical Equipment	1,743	1.7%	23,975	1.4%
Nursing Homes	6,285	6.0%	121,862	7.3%
Specialized Government Services	3,425	3.3%	57,158	3.4%
Total Personal Health Care	104,604	100.0%	1,661,372	100.0%

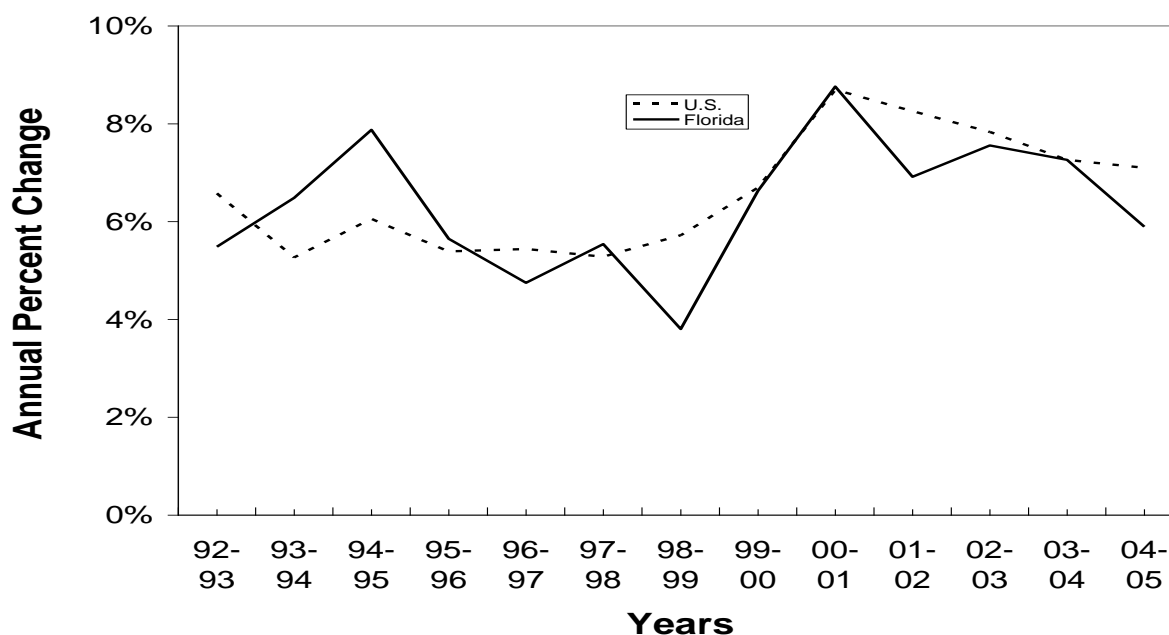
* Includes expenditures for Medical Laboratories.

Note: Expenditures in \$ millions. Numbers and percents may not add to totals due to rounding.

Source: AHCA and CMS

Figure 8 shows the annual percentage change in expenditures for Florida and the U.S. since 1992. Over the past fourteen years, the percentage change in Florida exceeded that of the U.S. for five of those years. Between 2004 and 2005, Florida's percentage change (5.9%) was 1.2 percentage points less than the rate for the U.S. (7.1%).

Figure 8
Total Personal Health Care Expenditures
Annual Percentage Change
Florida and the United States, 1992-2005



Source: AHCA and CMS

Table 9 displays health care payer expenditures by payer in the U.S. and Florida in 2005. Florida had a greater percentage of Medicare expenditures (25.7%) than the nation (19.9%), but a lower percentage of Medicaid expenditures (13.3%) than the U.S. (17.4%).

Table 9
Expenditures by Payer
Percent of Total Expenditures
Florida and the United States, 2005

Health Care Payer	Florida		United States	
	Expenditures	Percent	Expenditures	Percent
Medicaid	\$13,886	13.3%	\$289,302	17.4%
Medicare	26,874	25.7%	331,417	19.9%
Other Public Funds	7,641	7.3%	126,180	7.6%
Private Insurance	36,671	35.1%	596,665	35.9%
Out-of-Pocket	15,331	14.7%	249,445	15.0%
Other Private Sources	4,202	4.0%	68,363	4.1%
Total	104,604	100.0%	1,661,372	100.0%

Note: Expenditures in \$ millions; Numbers may not add to totals due to rounding.

Source: AHCA; CMS; CFFR

HMO Expenditures and Premium Revenue

The amount and percentage change in total HMO expenditures and premiums for each year, 1992 to 2005, are reported in **Appendix 8**. Between 1995 and 2000, the annual rate of growth of HMO expenditures had declined. Since 2001, the annual percentage change has varied between -2.0% and 5.5%, in contrast to the double-digit increases observed throughout the 1990s. A major reason for the leveling of expenditures is the decline in enrollment for commercial HMOs, down 33.5% from a peak in 1998.

Figure 9 compares the annual percentage change in HMO expenditures and premium revenue from 1992 to 2005. Between 1992 and 2001, the increase in expenditures was generally greater than that for premiums. However, between 2001 and 2004, premium increases exceeded those for expenditures. Over the most recent period (2004-05), the increase in expenditures (5.5%) was 0.8 percentage points greater than the increase for premiums (4.7%).

Figure 9
HMO Expenditures and Premium Revenue
Annual Percentage Change, 1992-2005

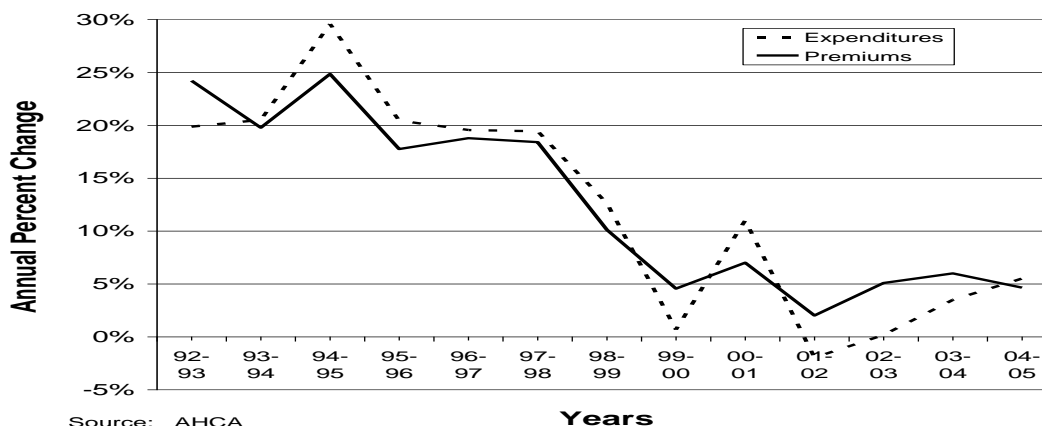


Table 10 shows the proportion of total HMO premium revenue by source (Medicare, Medicaid and commercial) in 1992, 2004 and 2005. The data show that in 2005, Medicare premiums were 37.2% of the total revenue, much higher than 33.3% in 2004 and 35.5% in 1992. Commercial premiums were 51.4% of the total, much lower than 56.6% in 2004, and 58.8% in 1992. Medicaid premiums were 11.4% in 2005, up from 10.1% in 2004, and 5.7% in 1992.

Table 10
HMO Premium Revenue by Revenue Source
Percent of Total Revenue, 1992, 2004 and 2005

Revenue Source	1992		2004		2005	
	Amount	Percent	Amount	Percent	Amount	Percent
Commercial	\$1,972	58.8%	\$8,177	56.6%	\$7,776	51.4%
Medicare	1,192	35.5%	4,813	33.3%	5,628	37.2%
Medicaid	191	5.7%	1,465	10.1%	1,724	11.4%
Total Premiums	3,355	100.0%	14,456	100.0%	15,128	100.0%

Note: Amount in \$ millions.

Source: Florida Department of Financial Services

Table 11 shows that, for all payers, the increase in HMO premium revenue from 2004 to 2005 (4.7%) was associated with a 6.0% decrease in overall enrollment, the sixth consecutive decrease observed since 1999. That yielded a 11.3% increase in premium revenue per enrollee over that period. The annual change in revenue per enrollee has increased in each of the past three years.

More detailed information on enrollment and premium revenue is presented in **Appendix 9**, aggregated by plan type. The appendix shows an 11.9% decrease in enrollment for commercial HMO plans, the largest annual decrease observed. Medicaid HMOs had a 6.6% increase in enrollment, 2004-2005, and an increase of 17.6% in revenue, yielding an increase of 10.3% in premium revenue per enrollee. Between 2003-04, that increase was 13.7%. **Appendix 9** also shows that between 2004 and 2005, premiums per enrollee increased by 8.0% for commercial insurance and 9.1% for Medicare.

Table 11
Annual Percentage Change in HMO Enrollment,
Premiums and Premiums per Enrollee, 2000-2005

	2000	2001	2002	2003	2004	2005
Enrollment	4,917,635	4,756,918	4,407,869	4,248,511	4,089,889	3,843,816
Percent Change	-0.4%	-3.3%	-7.3%	-3.6%	-3.7%	-6.0%
Premiums (\$millions)	\$11,887	\$12,721	\$12,978	\$13,639	\$14,456	\$15,128
Percent Change	4.6%	7.0%	2.0%	5.1%	6.0%	4.7%
Premiums / Enrollee	\$2,417	\$2,674	\$2,944	\$3,210	\$3,535	\$3,936
Percent Change	5.0%	10.6%	10.1%	9.0%	10.1%	11.3%

Source: Office of Insurance Regulation, Department of Financial Services

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Appendices

- 1: Health Care Services Description
- 2: Sources and Methods for Health Care Services Expenditures
- 3: Health Care Payer Description
- 4: Sources and Methods for Health Care Payer Expenditures
- 5: Two Indices of Health Care Inflation, 1992-2005
- 6: Health Care Expenditures by Service, 1992-2005
- 7: Health Care Expenditures by Payer, 1992-2005
- 8: HMO Expenditures and Premium Revenue, 1992-2005
- 9: HMO Enrollment, Premiums and Premiums per Enrollee by Payer, 1997-2005

Appendix 1: Health Care Services Description Match of SIC to NAICS Categories

Physicians (SIC 801; Includes Osteopaths, SIC 803)

Offices of physicians, except mental health specialists (NAICS 621111).

Offices of physicians, mental health specialists (NAICS 621112).

HMO medical centers (NAICS 621491).

Freestanding ambulatory surgical and emergency centers (NAICS 621493).

Dentists (SIC 802)

Offices of dentists (NAICS 621210).

Other Health Professionals (SIC 804)

Offices of chiropractors (NAICS 621310).

Offices of optometrists (NAICS 621320).

Offices of mental health practitioners, except physicians (NAICS 621330).

Offices of physical, occupational and speech therapists, and audiologists (NAICS 621340).

Offices of podiatrists (NAICS 621391).

Offices of all other miscellaneous health practitioners (NAICS 621399).

Nursing Homes (SIC 805)

Nursing care facilities (NAICS 623110).

Residential mental retardation facilities (NAICS 623210).

Continuing care retirement communities (NAICS 623311).

Hospitals (SIC 806)

General medical and surgical hospitals (NAICS 622110).

Psychiatric and substance abuse hospitals (NAICS 622210).

Specialty hospitals except psychiatric and substance abuse hospitals (NAICS 622310).

Note: Service categories are based on the North American Industry Classification System (NAICS). SIC: Standard Industrial Classification System.

**Appendix 1 (continued):
Health Care Services Description
Match of SIC to NAICS Categories**

Laboratories (SIC 807)

Medical laboratories (NAICS 621511).

Diagnostic imaging centers (NAICS 621512).

Dental laboratories (NAICS 339116).

Home Health (Freestanding) (SIC 808)

Home health care services (NAICS 621610).

Miscellaneous Clinics (SIC 809)

Family planning centers (NAICS 621410).

Outpatient mental health and substance abuse centers (NAICS 621420).

Kidney dialysis centers (NAICS 621492).

All other outpatient care centers (NAICS 621498).

Blood and organ banks (NAICS 621991).

All other miscellaneous ambulatory health care services (NAICS 621999).

Note: Service categories are based on the North American Industry Classification System (NAICS). SIC: Standard Industrial Classification System.

Appendix 2: Sources and Methods for Health Care Services Expenditures

SERVICE	DATA SOURCE	METHODS AND COMMENTS
Hospitals	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Physicians	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Dentists	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Medical Laboratories	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Other Professionals and Miscellaneous Clinics	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Home Health	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Medicinal Drugs	2005 National Health Care Expenditures, U.S. CMS and 1997 and 2002 Economic Census	Ratio of Florida / U.S. sales, drug stores, times national health care expenditures. Beginning with 1999 NHE, "Medicinal Drugs" = "Prescription Drugs" + "Other Non-Durable Medical Products."
Durable Medical Equipment	2005 National Health Care Expenditures, U.S. CMS and 1997 and 2002 Economic Census	Ratio of Florida / U.S. sales, optical goods stores, times national health care expenditures.
Nursing Homes	2002 Economic Census of the U.S. and Florida Agency for Workforce Innovation (1992-2005)	Wage adjusted* revenue in 2002 times ratio: estimated year payroll expenditures divided by 2002 payroll expenditures.
Specialized Government and Other Services	2005 National Health Care Expenditures, U.S. CMS	Ratio of Florida / U.S. population times national health care expenditures.

*Total 2002 receipts/revenue reported by the U.S. Census times the ratio of total 2002 annual wages reported by the Bureau of Labor Market Information and the annual payroll reported in the 2002 Economic Census of the U.S. for each respective health service category.

Appendix 3: Health Care Payer Description

Total Personal Health Care Expenditures

Payer expenditures equal the total of health services expenditures in Florida.

Medicare

Medicare is a federal health insurance program for persons 65 years and older and certain persons with disabilities. Expenditures to Florida health care providers as reported in the Consolidated Federal Funds Report, U.S. Census Bureau, including HMO expenditures.

Medicare-Medicaid Crossover

Medicaid payments to Medicare as reported by AHCA. These payments are *deducted* from total Medicare spending.

Medicaid

Medicaid is a state and federal program that provides funds for health care services needed by low-income individuals and families. Expenditures include payments to HMOs and to the Medicaid State Children's Health Insurance Program (SCHIP) Expansion-Title XIX.

Other Government Funding

Includes veteran benefits, military health programs, and workers' compensation. Includes spending for state and local assistance programs, state and local hospital subsidies, the State Children's Health Insurance Program (SCHIP) - Title XXI, the maternal and child health programs, and other programs providing personal health care.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Private Insurance

Includes commercial group and individual insurance, commercial health maintenance organization coverage, and self-insured employer plans. Includes the health insurance coverage of government employees. Includes Florida KidCare program.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Other Private

Expenditures include donations, investments, revenues from gift shops, and other miscellaneous sources.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Out-of-Pocket

Expenditures by consumers to health care providers. Excludes spending on health insurance premiums. Excludes patient payments to providers subsequently reimbursed by insurers. Includes deductibles and coinsurance.

Estimated from national data adjusted for Florida Medicare and Medicaid expenditures.

Appendix 4: Sources and Methods for Health Care Payer Expenditures

SERVICE	DATA SOURCE	METHODS AND COMMENTS
Medicaid	AHCA	Total reported expenditures adjusted to calendar year. Includes SCHIP Expansion (Title XIX).
Medicare	U.S. Census Bureau, Consolidated Federal Funds Report	Total reported expenditures adjusted to calendar year excluding Medicaid supplemental medical insurance expenditures.
Other Public Funds	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. other public fund expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida. Includes SCHIP (Title XXI).
Private Insurance	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. private insurance expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.
Out-of-Pocket	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. out-of-pocket expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.
Other Private Sources	National Health Expenditures, U.S. Centers for Medicare & Medicaid Services	Florida health services expenditures allocated by ratio of U.S. other private sources expenditures to total personal health care expenditures, adjusted for reported Medicare and Medicaid expenditures in Florida.

Appendix 5: Two Indices of Health Care Inflation, 1992-2005

Year	Florida ¹		CPI-MC ²	
	Expenditures	% Change	Index	% Change
1992	47,008		190.1	
1993	49,586	5.5%	201.4	5.9%
1994	52,801	6.5%	211.0	4.8%
1995	56,959	7.9%	220.5	4.5%
1996	60,176	5.6%	228.2	3.5%
1997	63,033	4.7%	234.6	2.8%
1998	66,526	5.5%	242.1	3.2%
1999	69,056	3.8%	250.6	3.5%
2000	73,635	6.6%	260.8	4.1%
2001	80,086	8.8%	272.8	4.6%
2002	85,625	6.9%	285.6	4.7%
2003	92,094	7.6%	297.1	4.0%
2004	98,781	7.3%	310.1	4.4%
2005	104,604	5.9%	323.2	4.2%

Notes:

¹ Florida Health Care Expenditures; Source: AHCA

² Consumer Price Index-Medical Care component;
Source: U.S. Bureau of Labor Statistics

Appendix 6: Health Care Expenditures by Service, 1992-2005

Florida Health Care Expenditures by Service

Health Services	1992	1993	1994	1995	1996	1997	1998
Hospitals	\$18,573	\$19,348	\$20,350	\$21,471	\$22,202	\$22,950	\$24,117
Physicians	12,516	12,761	13,252	14,599	15,210	15,739	16,444
Dentists	2,025	2,173	2,319	2,490	2,708	2,870	3,066
Medical Laboratories	1,100	1,159	1,227	1,256	1,332	1,324	1,386
Other Professionals	2,830	3,204	3,580	3,759	4,139	4,472	4,632
Home Health	1,489	1,805	2,083	2,255	2,289	2,262	2,192
Medicinal Drugs	4,641	4,911	5,177	5,673	6,249	7,005	7,767
Durable Medical Equipment	972	1,041	1,098	1,179	1,282	1,352	1,401
Nursing Homes	2,138	2,317	2,644	3,024	3,342	3,496	3,821
Specialized Government	723	866	1,072	1,254	1,424	1,563	1,700
TOTAL PERSONAL HEALTH CARE	47,008	49,586	52,801	56,959	60,176	63,033	66,526

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Florida Health Care Expenditures by Service

Health Services	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Hospitals	4.2%	5.2%	5.5%	3.4%	3.4%	5.1%
Physicians	2.0%	3.8%	10.2%	4.2%	3.5%	4.5%
Dentists	7.3%	6.7%	7.4%	8.7%	6.0%	6.8%
Medical Laboratories	5.3%	5.8%	2.4%	6.1%	-0.7%	4.7%
Other Professionals	13.2%	11.7%	5.0%	10.1%	8.0%	3.6%
Home Health	21.2%	15.4%	8.3%	1.5%	-1.2%	-3.1%
Medicinal Drugs	5.8%	5.4%	9.6%	10.1%	12.1%	10.9%
Durable Medical Equipment	7.1%	5.4%	7.3%	8.8%	5.5%	3.6%
Nursing Homes	8.4%	14.1%	14.4%	10.5%	4.6%	9.3%
Specialized Government	19.7%	23.8%	17.0%	13.6%	9.7%	8.8%
TOTAL PERSONAL HEALTH CARE	5.5%	6.5%	7.9%	5.6%	4.7%	5.5%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 6 (continued): Health Care Expenditures by Service, 1992-2005

Florida Health Care Expenditures by Service

Health Services	1999	2000	2001	2002	2003	2004	2005
Hospitals	\$24,574	\$25,375	\$27,434	\$28,957	\$31,257	\$33,414	\$34,910
Physicians	16,986	18,216	19,829	20,630	21,968	23,672	25,287
Dentists	3,238	3,528	3,761	3,986	4,270	4,558	4,836
Medical Laboratories	1,651	2,030	2,309	2,448	2,602	2,799	2,901
Other Professionals	4,328	4,383	4,652	4,782	4,997	5,284	6,013
Home Health	2,074	2,320	2,476	2,730	2,927	3,357	3,654
Medicinal Drugs	8,940	10,039	11,229	12,502	13,703	14,728	15,549
Durable Medical Equipment	1,420	1,445	1,468	1,509	1,632	1,682	1,743
Nursing Homes	3,927	4,193	4,528	5,397	5,795	6,135	6,285
Specialized Government	1,920	2,109	2,402	2,683	2,942	3,151	3,425
TOTAL PERSONAL HEALTH CARE	69,056	73,635	80,086	85,625	92,094	98,781	104,604

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Florida Health Care Expenditures by Service

Health Services	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Hospitals	1.9%	3.3%	8.1%	5.6%	7.9%	6.9%	4.5%
Physicians	3.3%	7.2%	8.9%	4.0%	6.5%	7.8%	6.8%
Dentists	5.6%	9.0%	6.6%	6.0%	7.1%	6.7%	6.1%
Medical Laboratories	19.1%	22.9%	13.8%	6.0%	6.3%	7.6%	3.7%
Other Professionals	-6.6%	1.3%	6.1%	2.8%	4.5%	5.7%	13.8%
Home Health	-5.4%	11.8%	6.7%	10.3%	7.2%	14.7%	8.8%
Medicinal Drugs	15.1%	12.3%	11.9%	11.3%	9.6%	7.5%	5.6%
Durable Medical Equipment	1.4%	1.8%	1.6%	2.8%	8.1%	3.1%	3.7%
Nursing Homes	2.8%	6.8%	8.0%	19.2%	7.4%	5.9%	2.4%
Specialized Government	13.0%	9.8%	13.9%	11.7%	9.7%	7.1%	8.7%
TOTAL PERSONAL HEALTH CARE	3.8%	6.6%	8.8%	6.9%	7.6%	7.3%	5.9%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 7: Health Care Expenditures by Payer, 1992-2005

Florida Health Care Expenditures by Payer

Health Care Payer	1992	1993	1994	1995	1996	1997	1998
Medicaid	\$4,419	\$5,092	\$5,631	\$6,035	\$6,210	\$6,446	\$6,779
Medicare	10,427	11,755	13,490	14,700	15,787	16,534	16,135
Other Public Funds	4,426	4,484	4,591	4,668	4,708	4,707	4,983
Private Insurance	15,983	16,503	17,334	18,959	20,162	21,170	23,135
Out-of-Pocket	9,406	9,301	9,184	9,676	10,148	10,758	11,778
Other Private Sources	2,347	2,450	2,571	2,920	3,160	3,417	3,715
TOTAL PERSONAL HEALTH CARE	47,008	49,586	52,801	56,959	60,176	63,033	66,526

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Florida Health Care Expenditures by Payer

Health Care Payer	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Medicaid	15.2%	10.6%	7.2%	2.9%	3.8%	5.2%
Medicare	12.7%	14.8%	9.0%	7.4%	4.7%	-2.4%
Other Public Funds	1.3%	2.4%	1.7%	0.9%	0.0%	5.9%
Private Insurance	3.3%	5.0%	9.4%	6.3%	5.0%	9.3%
Out-of-Pocket	-1.1%	-1.3%	5.4%	4.9%	6.0%	9.5%
Other Private Sources	4.4%	4.9%	13.6%	8.2%	8.1%	8.7%
TOTAL PERSONAL HEALTH CARE	5.5%	6.5%	7.9%	5.6%	4.7%	5.5%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 7 (continued): Health Care Expenditures by Payer, 1992-2005

Florida Health Care Expenditures by Payer

Health Care Payer	1999	2000	2001	2002	2003	2004	2005
Medicaid	\$7,355	\$8,332	\$9,560	\$10,828	\$12,243	\$13,470	\$13,886
Medicare	16,518	17,452	19,254	20,770	22,415	\$24,979	\$26,874
Other Public Funds	5,038	5,367	5,946	6,388	6,925	\$7,258	\$7,641
Private Insurance	24,332	26,229	28,672	30,545	32,501	\$34,487	\$36,671
Out-of-Pocket	12,051	12,552	12,992	13,401	14,043	\$14,569	\$15,331
Other Private Sources	3,762	3,703	3,661	3,691	3,966	\$4,018	\$4,202
TOTAL PERSONAL HEALTH CARE	69,056	73,635	80,086	85,625	92,094	\$98,781	\$104,604

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Source: AHCA

Percent Change, Florida Health Care Expenditures by Payer

Health Care Payer	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Medicaid	8.5%	13.3%	14.7%	13.3%	13.1%	10.0%	3.1%
Medicare	2.4%	5.7%	10.3%	7.9%	7.9%	11.4%	7.6%
Other Public Funds	1.1%	6.5%	10.8%	7.4%	8.4%	4.8%	5.3%
Private Insurance	5.2%	7.8%	9.3%	6.5%	6.4%	6.1%	6.3%
Out-of-Pocket	2.3%	4.2%	3.5%	3.1%	4.8%	3.7%	5.2%
Other Private Sources	1.3%	-1.6%	-1.2%	0.8%	7.4%	1.3%	4.6%
TOTAL PERSONAL HEALTH CARE	3.8%	6.6%	8.8%	6.9%	7.6%	7.3%	5.9%

Note: Percent change values may differ due to rounding of reported expenditures values.

Source: AHCA

Appendix 8: HMO Expenditures and Premium Revenue, 1992-2005

Total Florida HMO Expenditures

	1992	1993	1994	1995	1996	1997	1998
Total Expenditures	\$2,835	\$3,398	\$4,095	\$5,306	\$6,391	\$7,640	\$9,125
Percent Change		19.9%	20.5%	29.6%	20.4%	19.6%	19.4%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported expenditures values.

Source: Florida Department of Financial Services

Florida HMO Premium Revenue and Percentage Change

Revenue Source	1992	1993	1994	1995	1996	1997	1998
Commercial	\$1,972	\$2,207	\$2,605	\$3,245	\$3,824	\$4,338	\$5,114
Percent Change		11.9%	18.1%	24.5%	17.9%	13.4%	17.9%
Medicare	1,192	1,562	1,810	2,269	2,973	3,808	4,569
Percent Change		31.0%	15.9%	25.3%	31.0%	28.1%	20.0%
Medicaid	191	399	576	719	542	572	640
Percent Change		108.4%	44.4%	24.8%	-24.6%	5.5%	11.9%
Total	3,355	4,168	4,992	6,233	7,339	8,718	10,323
Percent Change		24.2%	19.8%	24.9%	17.8%	18.8%	18.4%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported revenue values.

Source: Florida Department of Financial Services

Appendix 8 (continued): HMO Expenditures and Premium Revenue, 1992-2005

Total Florida HMO Expenditures							
	1999	2000	2001	2002	2003	2004	2005
Total Expenditures	\$10,275	\$10,346	\$11,484	\$11,259	\$11,279	\$11,674	\$12,316
Percent Change	12.6%	0.7%	11.0%	-2.0%	0.2%	3.5%	5.5%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported expenditures values.

Source: Florida Department of Financial Services

Florida HMO Premium Revenue and Percentage Change							
Revenue Source	1999	2000	2001	2002	2003	2004	2005
Commercial	\$5,751	\$6,182	\$6,812	\$7,399	\$8,074	\$8,177	\$7,776
Percent Change	12.4%	7.5%	10.2%	8.6%	9.1%	1.3%	-4.9%
Medicare	4,901	4,876	4,942	4,424	4,352	4,813	5,628
Percent Change	7.3%	-0.5%	1.4%	-10.5%	-1.6%	10.6%	16.9%
Medicaid	716	830	968	1,154	1,213	1,465	1,724
Percent Change	11.9%	15.9%	16.6%	19.3%	5.1%	20.8%	17.6%
Total	11,368	11,887	12,721	12,978	13,639	14,456	15,128
Percent Change	10.1%	4.6%	7.0%	2.0%	5.1%	6.0%	4.7%

Note: Figures in \$ millions. Numbers may not add to totals due to rounding.

Percent change values may differ due to rounding of reported revenue values.

Source: Florida Department of Financial Services

Appendix 9: HMO Enrollment, Premiums and Premiums per Enrollee by Payer, 2000-2005

Commercial Insurance						
	2000	2001	2002	2003	2004	2005
Enrollment	3,679,935	3,526,504	3,178,263	3,005,760	2,801,868	2,467,263
Percent Change	-0.7%	-4.2%	-9.9%	-5.4%	-6.8%	-11.9%
Premiums (\$millions)	\$6,182	\$6,812	\$7,399	\$8,074	\$8,177	\$7,776
Percent Change	7.5%	10.2%	8.6%	9.1%	1.3%	-4.9%
Premiums / Enrollee	\$1,680	\$1,932	\$2,328	\$2,686	\$2,919	\$3,152
Percent Change	8.2%	15.0%	20.5%	15.4%	8.6%	8.0%
Medicare						
	2000	2001	2002	2003	2004	2005
Enrollment	741,091	667,808	574,622	548,478	550,502	590,143
Percent Change	-6.6%	-9.9%	-14.0%	-4.5%	0.4%	7.2%
Premiums (\$millions)	\$4,876	\$4,942	\$4,424	\$4,352	\$4,813	\$5,628
Percent Change	-0.5%	1.4%	-10.5%	-1.6%	10.6%	16.9%
Premiums / Enrollee	\$6,579	\$7,400	\$7,700	\$7,935	\$8,743	\$9,537
Percent Change	6.5%	12.5%	4.1%	3.1%	10.2%	9.1%
Medicaid						
	2000	2001	2002	2003	2004	2005
Enrollment	496,609	562,606	654,985	694,273	737,519	786,410
Percent Change	12.4%	13.3%	16.4%	6.0%	6.2%	6.6%
Premiums (\$millions)	\$830	\$968	\$1,154	\$1,213	\$1,465	\$1,724
Percent Change	15.9%	16.6%	19.2%	5.1%	20.8%	17.6%
Premiums / Enrollee	\$1,670	\$1,720	\$1,762	\$1,747	\$1,987	\$2,192
Percent Change	3.1%	3.0%	2.5%	-0.8%	13.7%	10.3%
All Payers						
	2000	2001	2002	2003	2004	2005
Enrollment	4,917,635	4,756,918	4,407,869	4,248,511	4,089,889	3,843,816
Percent Change	-0.4%	-3.3%	-7.3%	-3.6%	-3.7%	-6.0%
Premiums (\$millions)	\$11,887	\$12,721	\$12,978	\$13,639	\$14,456	\$15,128
Percent Change	4.6%	7.0%	2.0%	5.1%	6.0%	4.7%
Premiums / Enrollee	\$2,417	\$2,674	\$2,944	\$3,210	\$3,535	\$3,936
Percent Change	5.0%	10.6%	10.1%	9.0%	10.1%	11.3%

Source: Office of Insurance Regulation, Department of Financial Services